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# The political logic of labour market reforms and popular images of target groups

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## Abstract:

Even though the shift from 'passive' to 'active' labour market policy exhibit large cross-national variations, they all seem to share two common characteristics; 1) the first group exposed to the new policies and the group exposed to the harshest policies was young people on social assistance and 2) as the target group gradually came to include 'ordinary' unemployed, most countries made exceptions for the oldest unemployed. The article argues that this striking policy convergence has to do with the public perception of the target groups. The article substantiates this argument 1) by giving a theoretical explanation for the different popular images of target groups and 2) by showing - using a national Australian sample - that these general popular images influence the way the public wants 'active' labour market policy to be conducted.

Keywords: Labour market reforms, blame avoidance, target groups, public opinion, deservingness criteria

## Introduction

Since the mid 1990s most OECD countries have implemented a number of labour market reforms aimed at reducing the level of structural unemployment. Using the language of policy makers themselves the changes can be characterised as a shift from 'passive' to 'active' labour market policy. Within the OECD area the reforms were guided and monitored by the 'OECD job strategy', which was one of the organisation's largest projects in the 1990s. Within the European Union a framework for guiding and monitoring the labour market reforms in the different countries was also established. However, it is widely recognised that the new 'active' labour market policies came in many different varieties (Lødemel & Trickey, 2000; OECD 1998). These substantial cross-national differences can be given many different explanations e.g. the colour of the government in power, the previous social and active labour market policy in place, the level of experienced unemployment, the strength of unions etc. Another typical explanation is that countries follow different labour market trajectories because they belong to different welfare regimes (Esping-Andersen, 1990, 1996, 2000).

Even though these 'active' labour market reforms seem to be more and more diverse the more one looks at them they share two common features. Firstly, in most countries the group first exposed to the new policy measures and the group exposed to the harshest measures was young people receiving social assistance, typically below 25 years old. Secondly, as the target group for the new active labour market policy gradually came to include 'ordinary' insured unemployed, most countries made exceptions for older unemployed, typically those aged above 50 years. In some countries the older were included in the target group but often on a much more voluntary basis (see below).

The question is how we can explain this striking policy convergence when everything else within these programs seems to follow country or regime specific trajectories. One explanation – which those in power would prefer – is that it is simply the most rational policy to conduct. The argument would naturally go that the return from 'pushing' young unemployed is high due to the fact that they will be on the labour market for a long time. And policy makers would rightly argue that the harsher treatment often goes together with a rather expensive effort to provide education and jobs for the young unemployed. The other way around, the return from 'pushing' and 'investing' in older unemployed is modest due to the fact that they in any case soon will leave the labour market.

However, the return of investment argument cannot stand alone. It contradicts the basic wisdom from political science that policymakers are much more concerned about winning the next election than making an economic rational policy. The aim of this article is to show that we also find a political logic behind the policy convergence - a political logic that primarily has to do with the public perceptions of the target groups.

A number of scholars have paid attention to the political logics behind current welfare reforms. First of all we turn to the growing literature on the political dynamic of welfare state retrenchment. Pierson, being one of the pioneers (Pierson, 1994, 1996 and 2001), has argued that retrenchment is a political exercise in blame-avoidance. Retrenchment means taking something away from someone, and those suffering these (concentrated) losses are likely to react negatively. Furthermore, a body of survey studies consistently show that the welfare state is popular with the electorate in general (e.g. Bean & Papkis, 1993; Svallfors, 1997) i.e. not only the 'losers' but also the general

public are likely to react negatively to retrenchment. Thus, according to this literature the tension between necessary reforms pursued by the policy elite and a reluctant constituency form a major conflict line in modern politics. The literature often use the label 'the new politics' of the welfare state in contrast to 'the old politics' of the 1960s and 1970s, where politicians fought about getting credit for the pursued welfare policy.

Following the main reasoning within political science, the 'new politics' literature has mainly explained the degree of public resistance with the strength of the affected interests, e.g. the number of clients and public employed within a certain policy area. In contrast this article emphasises the moral logic connected to different deservingness criteria and shows how this logic overrules both self-interests and general political orientation. Our argument combines the 'new politics literature', the policy analyses that emphasise popular images of the target groups (e.g. Schneider & Ingram, 1993), and the deservingness literature (see below). The empirical endeavour is to prove the soundness of this theoretical reasoning in the field of labour market reforms. Naturally, there is not a one to one relationship between public attitudes and policy decisions, which also will become evident in the case we study. But a number of recent studies have proved that public attitudes towards welfare policies most of times actually influence public policy (e.g. Brooks & Manza; Burstein, 1998; Jacobs, 1993).

### **The two convergences in the shift from passive to active**

First of all we need to substantiate the argument about a policy convergence. The claim that young unemployed on social assistance is treated more harshly than other unemployed and old unemployed are treated more softly primarily rests on country

specific knowledge about the implementation of active labour market policy in the Nordic countries. To our knowledge nobody has made cross-national analyses of special treatment of different groups of unemployed and neither OECD nor other international organisations seem to have statistics on that matter.<sup>1</sup> It is outside the scope of this article to deliver this. However, by looking at the legislation in four selected countries we deliver circumstantial evidence for the soundness of the claim.

Table 1: Special conditions for young and old unemployed found in Denmark, UK, Australia and Germany.

Examples of tighter conditions for young unemployed	Examples of looser conditions for older unemployed
<p>Denmark:<sup>1</sup></p> <ul style="list-style-type: none"> <li>- 1990: Mandatory activation for 18-19 years old on social assistance.</li> <li>- 1998: unskilled under the age of 25 only paid half of normal unemployment benefit.</li> </ul>	<p>Denmark:<sup>1</sup></p> <ul style="list-style-type: none"> <li>- 1992: A special early retirement scheme for older unemployed. From 55 years, later from 50 years.</li> <li>- 1994: Extended period of unemployment benefit for unemployed above 50 years.</li> <li>- 2000: Possible to free unemployed aged 58 and 59 from mandatory activation.</li> </ul>
<p>UK:<sup>2</sup></p> <ul style="list-style-type: none"> <li>- 1986: Introduced Income support gives lower benefits to 18-24 years old.</li> <li>- 1988: Exclusion of almost all under the age of 18 from eligibility to unemployment support.</li> <li>- 1990: Removal of student from the unemployment risk pool.</li> <li>- 1996: Reduction in benefit level for claimants aged 18-24 (by 20 %).</li> <li>- 1998: New Deal program for young under 25 years.</li> <li>- 1999: New Deal Partner program made compulsory for under 25 years old</li> </ul>	<p>UK:<sup>2</sup></p> <ul style="list-style-type: none"> <li>(- 1981: Higher Supplementary Benefit for unemployed over 60-year olds who choose to early retire).</li> <li>- 2002: 45 years old and above freed from mandatory New Deal for Partners.</li> </ul>
<p>Australia:<sup>3</sup></p> <ul style="list-style-type: none"> <li>- 1995: Youth Training Allowance conditioned on participation in so-called 'approved activities'.</li> <li>- 1997: Mandatory participation for 18 – 24 years in 'work for the dole'.</li> <li>- 1998: Mutual Obligation activities for 18 to 34 years old (tougher obligation for 18-24 years old).</li> </ul>	<p>Australia:<sup>3</sup></p> <ul style="list-style-type: none"> <li>- 1994: Age limit for 'relaxed reporting' and removal for requirement to search for fulltime work reduced from 55 years to 50 years.</li> <li>- 1994: A special 'Mature Age Allowance' not subject to 'activity test' for long-term unemployed above 60 years.</li> </ul>
<p>Germany:<sup>2</sup></p> <ul style="list-style-type: none"> <li>- 2003: Tighter suitability criteria for young unemployed.</li> <li>- 2004/05: Unemployed under 25 years only entitled to benefits (ALG II) if offers of training, suitable employment or other integration measures accepted.</li> </ul>	<p>Germany:<sup>2</sup></p> <ul style="list-style-type: none"> <li>- 1985: Older than 49 years entitled to longer benefit period (ALG – Arbeitslosengeld). The age limit later reduced to 43, 42 and later increased to 45 (1998) and 55 (2004).</li> </ul>

<sup>1</sup>Source: Goul Andersen, Albrekt Larsen & Bendix Jensen, 2003.

<sup>2</sup>Source: Clasen & Clegg (forthcoming).

<sup>3</sup>Source: OECD, 2001: 166-169.

The countries are selected so each type of welfare regime is presented. At the same time we have looked for countries that have made a significantly shift from 'passive' to 'active' policies. From the social democratic welfare regimes we pick Denmark, as she in recent years has been the frontrunner for activation policies in the Nordic countries (e.g. Albrekt Larsen, 2002). In the conservative regimes we do not find as well developed activation policies. However, following the so-called Hartz-commissions Germany has recently introduced some of the most comprehensive measures. From the liberal regimes we pick UK, where a shift from 'passive' to 'active' policies were a major part of the third way rhetoric. We also include Australia because survey data from the Australian case will be used in the further analyses. Furthermore, a comprehensive OECD study, 'Innovations in labour market policies: The Australian way' (2001), has actually made the Australian case internationally known.

From reading table 1 it is clear that in all four countries we can find examples of 'harsher' rules for young unemployed, especially those on social assistance, and examples of 'softer' rules for old unemployed. Thus, we do see indications of a policy convergence – even across welfare regimes or call it across countries with very different labour market trajectories. We assume that examples of 'harsher' treatment of young and 'softer' treatment of older unemployed can be found in most other labour market reforms in the Western countries.<sup>2</sup> The main task of the article is to give a theoretical explanation of differences in popular perceptions of these target groups and try to test it empirically.

### **Deservingness criteria and popular images of target groups**

A promising way to theorise the popular images of different target groups is found in the literature on deservingness. Within this framework it becomes obvious that young people on social assistance have difficulties in meeting what seem to be a number of almost universal deservingness criteria. If we follow the review in Oorschot (2000) five so-called deservingness criteria are of importance.

- 1) Control (the less control over neediness, the higher degree of deservingness).
- 2) Need (the greater the level of need, the higher degree of deservingness).
- 3) Identity (the higher the degree of group belonging, the higher degree of deservingness).
- 4) Attitude (the more grateful, docile and compliant, the higher degree of deservingness).
- 5) Reciprocity (the higher previous or future payback, the higher degree of deservingness).

Especially the issue of control seem to be important for the public (Oorschot, 2000).

Thus, the key to explain the finding that the public in general express little concern about unemployed is that this group is perceived to be much more in control of their situation

than e.g. disabled, sick, and pensioners. In De Swaan's (1988) historical study of the modern welfare state, he labelled the criterion 'disability'. In Cook's (1979) study of Americans' views on supporting the poor, she labels the criterion 'locus of responsibility'. Finally, Will (1993) also found that the most important deservingness criterion was the degree to which the problems facing poor families were beyond the immediate control of the individual family. Following this logic it is understandable why a number of empirical studies have found a connection between level of unemployment and the public assessment of causes of poverty, i.e. poverty is being much more explained by 'lack of will power' or 'laziness' in times with low unemployment (Albrekt Larsen, 2006; Blekesaune & Quadagno, 2003; Gallie & Paugam, 2002; Eardley & Matheson, 1999). In our case the argument is that the job or education possibilities of young unemployed are typically seen as being much better than those for the older unemployed. It gives the impression that the young are more in control of the situation than older unemployed.

The identity criterion refers to the importance of feeling a shared identity with the groups who are to be supported. Using the label of proximity, De Swaan argues that the boundary of the area can be defined by kinship relations, by place of residence, or more generally, by the boundaries of a certain identity group, like 'our family', 'our town', 'our church' or 'our people'. Lack of shared identity with young social assistant claimants can be expected to be quite common. The active rhetoric of mutual obligation often comes with an undertone of teaching the unemployed the right work ethic. This fits perfectly with young social assistance claimants. It is more difficult to apply on older unemployed, who probably have learned the societal norms through a long life.

The attitude criterion refers to the way recipients respond to public support. De Swaan uses the term 'docility' to highlight that poor who hide their misery and ask for nothing are seen as more deserving than those who make impudent demands. Cook uses the terms 'gratefulness' and 'pleasantness'. Here the popular image of an ungrateful youth (maybe even with long hair) again speaks against the deservingness of young social assistance claimants and in favour of the old unemployed. Finally, the attitude criteria can be linked to a more general criterion of reciprocity, e.g. such behaviour as 'the smile of thanks'. Oorschot (2000) argues that needy who at the moment are unable to reciprocate might fulfil this criterion if they have contributed to 'us' in the past, or are likely to do so in the future. Here the young social assistance claimants again score very badly, as they clearly never have contributed. And it is obvious that unemployed aged above 50 years are likely to score much higher on this dimension. After all most of the unemployed above 50 years have contributed to the common 'us' in the past.

These deservingness criteria have primarily been used to explain variations in public support for welfare policy across different areas. Coughlin's pioneering cross-national study from 1980 found what he calls 'a universal dimension of support' because the ranking of the deserving groups followed the same line in all the countries included in his study. The public was most in favour of support for old people, followed by support for sick and disabled, needy families with children and unemployed. The group given least support were people on social assistance. Petterson (1995), Oorschot (2000), Oorschot & Arts (2005), Oorschot (2005) and others have confirmed this ranking and often explained it with differences in the fulfilment of the deservingness criteria. These studies seem to support our argument but they do not provide empirical findings that

allow us to distinguish between different groups of unemployed. Neither do they directly deal with the issue of new labour market policies. This lack of knowledge set the agenda for the empirical analyses below.

However, before turning to the empirical part it is worth noticing that the previous empirical studies seem to find a strong degree of consensus about these criteria. The deservingness studies have not focused much on that part but based on a Dutch study Oorschot concludes *'that "social division" or "class" variables like income level and whether one is working or on benefit do not play a role in the conditionality of solidarity'* (Oorschot 2000:40). In our context it is an important finding as it suggests that the typical defenders of the rights of unemployed, the unions and the left wing parties, actually have members and constituencies that would find harsher policies towards specific groups quite fair. And the other way around that the right wing parties typically in favour of harsher treatment of unemployed actually might have members and constituencies that would find 'softer' policies toward specific groups quite fair. If this kind of broad consensus is present we would expect a strong political logic behind the policy convergence, i.e. both left and right wing parties would have to adapt their policies to the voter preferences (see below).

## **Data and method**

In order to substantiate the argument we have to use survey data that distinguish between different groups of unemployed and explicitly focus on the implementation of active labour market policy. Such data are rare. No cross-national data have these characteristics and we have not been able to find national European data with this structure. Therefore

we rely on a national survey from Australia. The items we use are found in the survey on *Coping With Economic and Social Change*, which was conducted by the Social Policy Research Centre in 1999. 4041 questionnaires were sent out to a random national sample of adults. 2403 questionnaires were returned, which (allowing for a small number that were returned indicating that the person had moved) gives an effective response rate around 62 per cent. In general this is a fair result for a national postal survey but in order to adjust for possible bias a weight (comparing the survey with census data) was constructed. This weight is used in the analyses even though it only makes very little difference to the presented results. Further introduction to the data can be found in Saunders, Thomson & Evans (2000).

In the following we will only use the items that measure the requirements that unemployed according to the respondents should be required to fulfil in order to receive unemployment benefits. We distinguish between young unemployed (below 25 years), old unemployed (above 50 years), and long-term unemployed (of any age).<sup>3</sup> For each group the respondents were asked about their opinion towards nine different requirements. Below we examine these empirical results. Firstly, we give an overall descriptive presentation, which to some extent replicates Eardley, Saunders & Evans's (2000) more general presentation of the results. Secondly, we analyse the level of consensus behind these popular images of the target groups. We look at the different attitudes across political parties and across respondents with different chances of being exposed to the new policies. From the discussion above we expect the consensus across different groups to be quite high and therefore the political logic to be quite strong. Finally

we analyse the influence of various background variables in a multivariate regression model.

### **Different requirements to different groups**

Table 2 shows, which, if any, of nine listed activities unemployed should be required to undertake in order to receive the Australian means-tested unemployment benefits. The requirements are ranked after the difference between the requirements that respectively young and old unemployed might be obliged to fulfil; starting with the largest differences.



Table 2: Requirement for receiving unemployment benefits. Per cent and average number requirement per group.

Requirements	1: Young unemployed (under 25)	2: Older unemployed (above 50)	3: Long-term unemployed (of any age)	Percentage point differences		
				1-2	1-3	2-3
Take part in a 'work for the dole' scheme	83	38	72	+45	+11	-34
Move to another town or city to find work	49	9	41	+40	+8	-32
Look for work	93	54	81	+39	+12	-27
Complete a 'dole diary' detailing efforts to find work	80	41	71	+39	+9	-30
Change appearance (e.g. get a haircut)	71	34	58	+37	+13	-24
Improve reading and writing skills	84	51	75	+33	+9	-24
Accepted any paid job offered	65	33	65	+32	0 <sup>ns</sup>	-32
Undergo a training or re-training program	82	62	81	+20	+1 <sup>ns</sup>	-19
Undertake useful work in the community	79	63	77	+15	+2	-14
Average number of requirements	6.9	3.9	6.2			
Standard deviation	2.2	2.7	2.7			

n = 2373, missing = 30.

Note: Since respondents were simply asked to tick a box if they thought a particular requirement should apply, it is possible that some of those failing to tick a box were not positively disagreeing with the proposition but were just not responding. In order to allow for this, we follow Eardley, Saunders and Evans (2000:18) and only treat those cases where respondents also failed to complete other related questions on the same page of the as missing. These amounted to only 1.2 per cent of cases. Of those cases counted as valid, only 0.4 ticked no boxes. All percentage point differences are significant at 0.01 level; except those marked "ns" (these are above the 0.05 level).

The largest difference was found on the issue of required participation in a 'work for the dole' scheme. 'Work for the dole' is the Australian name for a compulsory activation scheme, which was introduced in 1997. 83 per cent of the population answered that young unemployed should be required to participate in these schemes in order to receive benefits. Only 38 per cent answered that unemployed above 50 years should meet the same requirement. It gives the percentage difference of +45 (83-38) seen in the fourth column. The second largest difference was found on the issue of moving to another town or city to find work. 49 per cent answered that young should be required to do so. The figure for old unemployed was only 9 per cent. Thirdly, there is a remarkable difference in public attitudes to active job search. 93 percent answered 'looking for a job' should be required from the young. For the old the figure was just 54 per cent. Thus, taken literally 46 percent of the Australians actually indicate that job search should not be a requirement for old unemployed. Percentage differences above 30 were also found on such requirement as a) complete a 'dole diary' (which was a new measure introduced in 1996), b) change appearance (e.g. get a haircut), c) improve reading and writing skills, and d) accept any paid job offered. Smaller but still significant differences were found for training and re-training (percentage difference, +20) and community work (percentage difference, +15). Summarized as the average number of requirements, the figure is 3.9 for old unemployed and 6.9 for young unemployed (see table2). Thus, so far it is safe to conclude that we see a remarkable difference when the public respectively is asked about the old and young unemployed. All differences are significant at a 0.01 level.

However, in order to be sure that these two target groups really distinguish themselves, as our theoretical argument suggests, it is fruitful to use the category 'long-

term unemployed (of any age)' as a reference category. The percentages differences shown in the last two columns of table 2 indicate that we find the expected pattern. In the second last column we find positive differences on 8 out of the 9 items. Thus, as expected the public is more inclined to put requirements on the young unemployed than on the long-term unemployed. The differences are fairly large and clearly statistical significant when it comes to 'take part in a work for the dole scheme', 'move to another town or city', 'look for work', 'complete a dole diary', 'change appearance', and 'improve reading and writing skills'. When it comes to 'accept any paid job', and 'undergo training' no significant difference was found between young unemployed and long-term unemployed. Summarized as the average number of requirements the figures are 6.2 for long-term unemployed and 6.9 for the young unemployed. As to the differences between long-term unemployed and old-unemployed the pattern is even clearer (all differences significant at a 0.01 level). On four out of the nine questions the percentage differences were above 30. On three questions, the percentage differences were above 20. And on the remaining two questions the percentage differences were above 10.

These overall findings give strong support to our theoretical argument. The political costs of introducing harsher labour market policy seem modest when it comes to unemployed below 25 years. Actually, it seems to be a matter of credit claiming rather than a matter of blame avoidance. On eight out of the nine suggested requirements a clear majority indicated that young unemployed could be asked to fulfill them. A majority even indicated that young unemployed might be required to get a haircut in order to receive benefits. It is also clear that expanding harsh labour market policy to unemployed aged above 50 years could potentially have large political costs. On five out of the nine

suggested requirements a clear majority did not think old unemployed could be asked to fulfill them. Not even a rather 'soft' policy such as an obligation to take part in an activation scheme was supported by a majority.

### **The public consensus about treating unemployed citizens differently**

From a theoretical point of view one could argue that the political costs of harsher labour market policy cannot be directly calculated from the majority-minority arguments just presented. The majority might be in favor of a given policy but their incentives to mobilize political support are limited. To put it boldly, the majority does not make demonstrations that demand harsher labour market policy. In contrast the group affected by a given policy could potentially mobilize against it and thereby potentially generate large political costs. Nevertheless, this section argues that it is not the case when it comes to the different treatment of young and old unemployed. We argue that the self-interest argument does not apply because the public judgment of deservingness is rooted in a moral logic that is broadly shared. As already mentioned we also broaden the perspective somewhat by looking at attitudes of the electorate of the two major parties. One could suggest that left-wing voters could be mobilized against the harsher treatment of young unemployed and right wing voters could be mobilized against the soft policy towards the old unemployed. Nevertheless, again we suggest that it is not the case, as these attitudes are believed to be rooted in deservingness judgments that are shared across party lines. If we can be proved right in these suggestions it further supports the argument of modest political costs connected to introducing harsher policy towards young unemployed and

large political costs connected to expanding harsher policy to the group of old unemployed.

We start out with the broad approach and look at the attitudes of the electorate of the two major parties. We distinguish between those who generally vote for the main left-wing party, the Labor party, and those who generally vote for the main right-wing party, the Liberal party, or the smaller right-wing party, the National party. Finally, we have a group of others, which include voters for the Australian Democrats, swing voters and others. In table 3 the requirements are listed after the percentage differences between left-wing voters and right-wing voters when asked about requirements of young unemployed. As expected the right-wing voters are more in favor of requirements than the left-wing voters. Only when it comes to 'looking for job' was the difference modest but still statistical significant. However, it is striking that a clear majority of left-wing voters in eight out of nine cases is in favor of the suggested requirements. Even a majority of left-wing voters think that unemployed below 25 years could be asked to get a haircut in order to receive benefits. Only on the requirement of moving to another city do we not find a majority in favor of one of the suggested requirements. Thus, even among the labor voters do harsher labor market policies towards young unemployed seem to be a winning strategy and opposing it a losing strategy. Among the right-wing voters there is no doubt that it is a winning strategy.

Table 3: Requirements in order to receive benefits, respectively for young unemployed (below 25) and old unemployed (above 50+), answers distributed among main political groups

	Requirements to young unemployed (under 25)			Requirements to old unemployed (50+)		
	Left-wing voters	Right-wing voters	Others	Left-wing voters	Right-wing voters	Others
Change appearance (e.g. get a haircut)	66	83	69	26	39	38
Take part in a 'work for the dole' scheme	75	91	83	29	47	42
Undertake useful work in the community	72	86	80	53	70	70
Improve reading and writing skills	79	89	85	44	52	57
Move to another town or city to find work	45	58	47	7	13	11
Complete a 'dole diary' detailing efforts to find work	76	85	79	36	47	43
Accepted any paid job offered	64	74	62	29	40	35
Undergo a training or re-training program	79	85	83	59 <sup>ns</sup>	62	63
Look for work	92	94	94	49	56	59
N unweighted	777	810	638	777	810	638

All differences between left and right wing voters are significant at 0.01; except differences in attitudes towards training of old unemployed (0.11).

When it comes to old unemployed we find the opposite situation. Among the left-wing voters imposing harsher requirement is clearly a losing-strategy; at least if it includes such measures as requiring old unemployed to ‘change appearance’, ‘take part in work for the dole scheme’, ‘move to another town’, ‘complete a dole diary’, and ‘accept any jobs’. A majority is in favor of ‘training’ (59 percent) but even on such soft measures as ‘doing community service’ (53 per cent) and ‘looking for work’ (49 percent) is the left-wing voters split in halves. The right-wing voters are more ready to put requirements on unemployed above 50 years. But again a clear majority in favor can only be found when it comes to such ‘soft’ requirements as ‘undertake community service’ (70 per cent) and ‘undergo a training or re-training program’ (62 per cent). On the requirements of ‘take part in a work for the dole scheme’ (47 per cent), ‘improve reading and writing skills’ (52 per cent), ‘complete a dole diary’ (47 percent), and ‘look for work’ (56 per cent) the right-wing voters are more or less split in halves. It is remarkable that only 54 per cent of right-wing voters support the basic requirement of job search. Still one could argue that among liberal voters there could be an electoral basic for conducting a harsher labor market policy towards those above 50 years. But it is clear that the labor party would have very strong incentives to oppose such a policy and probably could impose large political costs on a liberal government conducting such a policy. Thus, the overall argument is that for both major parties it is winning strategy to support harsher policy towards young and a losing strategy to support harsher policy towards old unemployed.

Finally, we turn to the attitudes of the groups most directly affected by the labor market policies in question, i.e. those who could have a ‘concentrated’ interest in mobilizing for or against the policies in question. First of all that means unemployed

below 25 years and unemployed between 50 and 65 years (65 years is the official Australian retirement age for men). However, even though the sample is rather large we only have respectively 9 and 12 respondents in each of these subgroups. This is not sufficient for a reliable analysis. Therefore we add the 29 employed respondents aged below 25 that answered that they ‘worry all the time’ or ‘worry sometimes’ about losing their job. This gives us 38 young respondents in - or in perceived risk of - unemployment. In the same way we add the 114 aged between 50 and 64 years, which worries about losing their job. It gives us a group of 124 old respondents in - or in perceived risk of - unemployment (one old unemployed had not answered the question of job security and one had not answered the requirement questions, therefore we do not end up with 126 respondents). The results are shown in table 4.

The most important overall result is the striking lack of difference between those in risk of being exposed to the requirements and the other groups. If we compare the attitudes of the ‘young risk group’ and the attitudes of the other age groups we find percentage differences below 10, except in one case. In terms of ‘looking for job’ (98 per cent), ‘improve reading and writing skills’ (86 per cent), ‘undergo a training or re-training program’ (84 per cent), and ‘complete a dole diary’ (82 per cent) the ‘young risk group’ actually seem a bit more in favor of establishing requirements for unemployment benefits. In terms of ‘take part in a work for the dole program’ (75 per cent), ‘take part in community work’ (71 per cent), ‘change appearance’ (68 per cent), and ‘move to another town’ (45 per cent) the ‘young risk group’ is slightly less in favor. Moving to another city and acceptance of any paid job offered (40 per cent) is the only two items where we do not find a majority of the ‘young risk group’ being in favor. And only in the latter case -

the acceptance of any paid job - do we find a large difference between the risk group (40 per cent) and the other age groups (66 per cent). This latter difference is significant while all the other differences turns out to be statistical insignificant. Thus, as long as new active labor market policies do not force young to move to another city or take any paid job offered, the results indicate that not even those exposed to the policy will mobilize against it. And if they were to mobilize against it, e.g. the requirement of taking any paid job offered they would not have a good case; a majority in the electorate support that requirement. Resistance to the requirement of moving to another town would be a better case. Nevertheless, our overall interpretation is that the target group actually imposes the moral logic of the deservingness criteria on themselves.

Table 4: Requirements in order to receive benefits, respectively for young unemployed (below 25) and old unemployed (50+), answers distributed among risk groups (unemployed or in risk of unemployment), others in the same age group, and other age groups.

	Requirements to young unemployed (under 25)			Requirements to old unemployed (50+)		
	Risk group between 18-24	Others between 18-24	Other age groups	Risk group between 50-64	Others between 50-64	Other age groups
Change appearance (e.g. get a haircut)	68	74	71	35	33	34
Take part in a 'work for the dole' scheme	75	82	83	39	39	38
Undertake useful work in the community	71	80	79	60	64	63
Improve reading and writing skills	86	82	84	48	45	53
Move to another town or city to find work	45	51	49	11	7	10
Complete a 'dole diary' detailing efforts to find work	82	79	80	37	37	42
Accepted any paid job offered	40	62*	66**	41	34	32
Undergo a training or re-training program	84	87	82	64	54	64
Look for work	98	93	92	53	53	54
N unweighted	38	163	1981	124	373	1685

Significant levels between risk groups and the other two groups. All differences are

insignificant except those marked with \* (0.05 level) or \*\* (0.01 level).

The same is the case when we look at the differences between the 'old risk group' (being unemployed or fearing losing current job) and the other age groups. On eight out of the nine requirements the percentage difference is below 6 and all the differences are statistically insignificant. The only noteworthy difference is the fact that a larger share of the 'old risk group' (41 per cent) than of the other age groups (32 per cent) actually thinks that old should take any paid job offered. In the 'old risk group' a majority support such requirements as 'undertake training or re-training' (65 per cent) and 'undertake community work' (60 per cent). On the requirement to 'look for work' (53 per cent) and 'improve reading and writing skills' (48 per cent) the target group is – as the rest of the electorate – split in halves. And again in line with the other age groups a majority in the 'old risk group' oppose 'acceptance of any job' (41 per cent), 'taking part in work for dole schemes' (39 per cent), 'completing a dole diary' (37 per cent), 'changing appearance' (35 per cent), and 'moving to another city' (11 per cent). Thus, if an active labor market policy where to impose such measures on the group of older unemployed we would expect the group to mobilize. And they would potentially have a very strong case because the other age groups share the same moral logic, which imply that unemployed above 50 years should not be subject to such measures.

### **The public consensus about target groups and background variables**

By means of an ordinary OLS-regression table 5 shows how various background variables influence the number of requirements. In model 1 we see the connection between the background variables (sex, age, political orientation, experience of unemployment and perceived level of unemployment) and the number of requirements

put on long-term unemployed. Being a right wing voter and being a women significantly increase the number of imposed requirements. Left wing political orientation, experience of unemployment, a perception of high level of unemployment in the country, and age all significantly decrease the number of requirements put on long-term unemployed. All together the model is able to explain nine percent of the variation in the dependent variable.

Most of these effects are reduced if we instead want to explain the variation in the requirements for old and young unemployed. Starting with the former, model II shows that the effects from sex and right wing orientation (compared to swing voters, Australian Democrats and others) become insignificant. The age effect is also reduced but remains significant. The effects from left wing political orientation, unemployment experience and perceived level of unemployment remain more or less the same. However, all together the explanatory power of the model is reduced to five percent. Thus, as expected these standard background variables are of less importance when we ask about requirements for old unemployed.

Table 5: OLS models for the connection between background variables and requirements. Standardized betas and level of significance

	Model I	Model II	Model III
Dependent variable	Number of requirement for long-term unemployed	Number of requirement for old unemployed	Number of requirement for young unemployed
Women	0.07**	0.04 <sup>ns</sup>	0.04 <sup>ns</sup>
Age	-0.25**	-0.14**	-0.02 <sup>ns</sup>
Right	0.09**	0.04 <sup>ns</sup>	0.16**
Left	-0.09**	-0.11**	-0.06*
Unemployment experience	-0.07**	-0.06**	-0.03 <sup>ns</sup>
Perceived level of unemployment	-0.06**	-0.09**	-0.04 <sup>ns</sup>
R <sup>2</sup>	9 %	5 %	5%

Note: Sex, dummy, 0=men, 1=women. Age, number of years. Right and left, dummies, where swing voters, voters for Australian Democrats, and 'others' function as reference category. Unemployment experience; dummy, 1=respondent or any member of family within the last three years, 0=others. Perceived level of unemployment; ordinal from 1 to 5 (less than 3 %, 3 -6 %, 7-9 %, 10 -12 %, and more than 12 %).

The same is the case when we ask about young unemployed. The number of requirements for young turns out to be independent of sex and age. More interesting is the finding that the requirements for young also turn out to be independent of the voter's own unemployment experiences and the perceived level of unemployment. This is an exception to the general finding that attitudes are dependent on actual (or perceived) level of unemployment (see above). Within our framework the interpretation is that the moral logic is so strong that it overrules the normal business cycle effect. The effects from political orientation remain significant but the overall explanatory power of the model is again reduced to five percent.

## Conclusion and discussion

The overall aim has been to explain the two common features in the OECD countries' shift from 'passive' to 'active' labor market policy; namely 1) that those first exposed to the new labour market policies and those exposed to the harshest measures were young people on social assistance (typically below 25 years) and 2) that many countries made special rules for the old unemployed (typically aged above 50 years or 55 years), as the active labor market policy was extended to include 'ordinary' unemployed. Theoretically, we explained this convergence by combining the 'new politics theory' of blame avoidance and the literature on deservingness. The point was that the group of young people on social assistance had very large difficulties in fulfilling five central deservingness criteria and therefore the political cost of introducing harsher labor market policy towards this groups were modest. In contrast older unemployed fulfilled a number of the deservingness criteria and therefore the political costs of exposing this group to a harsher labor market policy were quite high. In our opinion this political logic seems more obvious than any economic reason behind the striking policy convergence.

We were not able to support the argument by cross-national data but based on an Australian survey we were able to illustrate the suggested political logic. In the Australian data we saw a very large difference in the public attitudes towards unemployed aged below 25 years and unemployed aged above 50 years. In the former case a clear majority, even within the target group and even among those who typically vote for the left-wing party, was in favor of introducing rather tough requirements in order to receive benefits. Thus, in electoral terms introducing harsher policy towards this group was clearly a winning strategy and opposing it clearly a losing strategy. In the

latter case a majority, even within other age groups and in many cases even among the right-wing voters, was against imposing harsher requirements on unemployed aged above 50 years.

It is difficult directly to prove that the moral logic of deservingness criteria influence public policy. However, if we turn to the Australian policy process a number of things support the argument. Firstly, it was a labor government that started the new active policies towards young unemployed. The first initiative can be dated back to the Hawke labor government, which in 1988 replaced unemployment benefits for youth under 18 with a so-called Job search allowance, incorporating “strong ties between continuing income support and participation in work, training or jobsearch activities” (DEET, 1987, 17); even for social democrats this was a winning policy. Labor’s ‘Working nation reforms’ in the mid 1990s did impose stricter general rules for all unemployed but at the same time exceptions were made for older workers – most notably a new Mature Age allowance, which did not include any activity test at all.

Secondly, when the conservative and liberal Howard coalition came into office in 1996 the proclaimed general fight against “passive welfare” and “welfare dependency” (e.g. Parker & Fopp, 2004; Shaver, 2002) was indeed sensitive to public perception of target groups. The two most fundamental changes to “passive welfare” – the Work for the dole program from 1997 and the Mutual obligation program from 1998 – were initially limited to unemployed between 18 and 24 years old. Gradually other groups also came to be included but despite the liberal and conservative political rhetoric the Howard coalition has been cautious when it comes to the oldest unemployed. It took the coalition 10 years to abolish the Mature age allowance, which actually comes close to an early

retirement scheme. The Mutual obligation program was expanded to include all unemployed up to the age of 49 years. However, the requirements are somewhat reduced for unemployed between 40 and 49 years old and those above are still not included in the mutual obligation program (Australian Government, 2007). The coalition has imposed some participation requirements on older unemployed as well as sole parents with school age children and disability support pensioners. Thus, the positive images of these target groups have not made changes impossible. But the changes have been less significant and it has taken much longer time to impose them.

Finally, it can be discussed to what extent one can generalize from the Australian case to other OECD countries. Here we would argue that Australia actually can be seen as a ‘conservative’ case. As Australia do not have an insurance system, we speak about old unemployed, which in other countries would be labeled social assistance claimants above 50 years. The previous empirical findings within the deservingness literature clearly suggest that had the older been insured, the difference in the public images of the target groups would probably have been even larger.

One could also ask whether the results only are valid under the given Australian business cycle conditions. As mentioned we do have empirical findings that show a relationship between level of unemployment and public explanations of poverty. However, at the time of interview the unemployed rate was 6.9 in Australia (OECD standardized, around 7.5 according to national definition), which is a middle positions compared to other the OECD countries. Thus, it is not extremely low which could have contributed to a tough judgment of unemployed. Neither is it extremely high, which could have contributed to a soft judgment of the unemployed. Furthermore, as the public



attitudes towards old and young are measured at the same point in time one should not expect the differences between the groups to be affected by the business cycle, only the overall levels.

Lastly one could also ask whether the results are valid across welfare regimes (Esping-andersen, 1990). We do have reasons to believe that liberal welfare regimes generate more reluctant attitudes towards unemployed and poor (Albrekt Larsen, 2006). However, firstly, the electorate in Australian is known to have more egalitarian attitudes than the electorate in USA, which typically serve as the country that comes closest to the ideal type liberal regime. In Feather's classic study from 1974, which replicated Feagin's American study (1972), he concluded that the Australians were less inclined than the Americans to explain poverty with individual causes. Secondly, even though the overall toughness towards poor and unemployed is larger in liberal regimes, we have reasons to believe that the differences in the judgment of young unemployed and old unemployed found in Australia are rooted in a number of deservingness criteria, which according to previous studies apply across all OECD countries. Therefore we dare to argue that in order to understand the way active labor market policy is implemented, not only in Australia but also in most of the other OECD countries, it is crucial to take the moral deservingness logic into account. Furthermore, we argue that the literature of 'the new politics' of the welfare state needs to supplement the narrow self-interest perspective with these deservingness logics in order to make a good account of variations in retrenchment and restructuring policies.

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## Notes

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<sup>1</sup> The only thing we have is some general country descriptions about the 'active turn', e.g. Clasen & Clegg, forthcoming; Lødemel & Trickey, 2000.

<sup>2</sup> We also suggest these differences in treatment would be even more obvious if one looked at the actual implementation instead of the formal rules. Again this suggestion is based on country specific knowledge about the implementation of active labour market policy in the Nordic countries and it is outside the scope of the article to deliver solid proofs.

<sup>3</sup> As Australia has no ordinary insurance based unemployment system but only a state run means tested program, we do not have to distinguish between insured and non-insured. Naturally, this is also a limitation to the data. But on the positive side this 'isolation' of the age-effect actually makes a critical case for older unemployed, i.e. do even older non-insured unemployed have a much more positive popular image than young non-insured unemployed?

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